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WISCONSIN ECONOMIC INDICATORS

NOVEMBER 1989

DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCES
L1	Composite Index of Leading Indicators	Wi. Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wi. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wi. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wi. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wi. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wi. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wi. Dept. of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Security Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wi. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wi. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wi. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wi. Dept. of Health and Social Services
X2	Death Registrations	Wi. Dept. of Health and Social Services
X3	Natural Net Gain in Population	Wi. Dept. of Health and Social Services
X4	Marriage Registrations	Wi. Dept. of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wi. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wi. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wi. Dept. of Industry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the census Method 11 Seasonal Adjustment Program.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading of coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically.

COVER PHOTO: Courtesy of Wisconsin Division of Tourism Development

WISCONSIN ECONOMIC INDICATORS

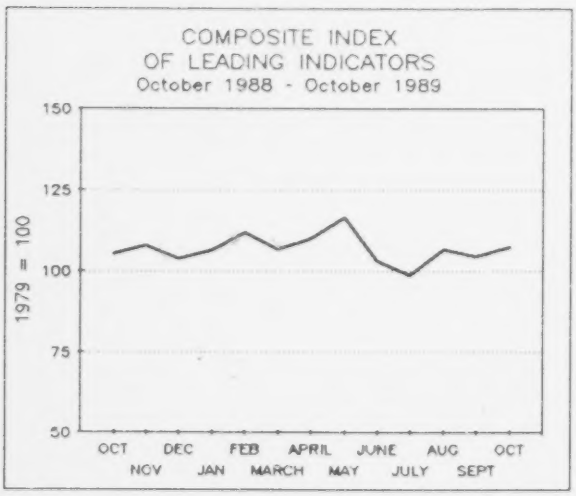
SUMMARY FOR OCTOBER

COMPOSITE INDEX

The Composite Index of Wisconsin's leading economic indicators increased in October by three percentage points. The index has been erratic since June, showing no consistent movement in two or more months.

Supplying growth in October were an increase of job openings received, and a boost in the number of commercial and industrial building plans examined. The job openings number usually drops substantially in October, so this month's growth is a welcome reversal.

Somewhat slowing the growth of the index were a shortening of the average workweek and average overtime hours in manufacturing.



LEADING INDICATORS

Production workers in Wisconsin's manufacturing industries spent less time on the job in October. The average workweek in manufacturing decreased by seven-tenths of an hour. A decline in manufacturing activity is normal for October, however, this month's decline in the workweek exceeds the normal seasonal slowdown.

Average weekly overtime hours in manufacturing also decreased in October, by six-tenths of an hour. About two-thirds of the decrease is due to normal seasonal slowdown in manufacturing.

Along with a decrease in the workweek, the number of workers employed in manufacturing decreased by 6,400 in October. That is not severe. A decrease of nearly nine thousand is normal for this month.

Average weekly initial claims for unemployment compensation increased by 1,175 in October. That, however, is below the normal seasonal pace for this month. A normal increase of the claims average would amount to over 1,230 claims.

The number of job openings received by public Job Service offices throughout the state increased by 470 in October. Job openings usually decrease in October when employers scale back from busy summer activity. A decrease of about nine-hundred would be normal this month, so the actual gain is well above par.

The number of new business incorporations increased in October by 63, which is slightly better than the normal seasonal trend.

While the number of business telephone access lines decreased this month, the decline is much less severe than normal. And, the number of commercial and industrial building plans examined increased at a better-than-normal rate.

Section

A WISCONSIN ECONOMIC INDICATORS

	UNIT	MONTHLY SERIES			% CHANGE		AVG.
		Latest Month	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1988
LEADING INDICATORS							
L1 COMPOSITE INDEX OF LEADING INDICATORS							
Seasonally Adjusted	Index	OCT	107.4	104.4	105.2	2.9%	2.1%	97.9
L2 AVG. WORK WEEK, MFG.							
Unadjusted	Hours	OCT	41.6	42.3	41.8	-1.7%	-0.5%	41.7
Seasonally Adjusted			41.6	42.1	41.8	-1.2%	-0.5%	
L3 AVG. OVERTIME HOURS, MFG.							
Unadjusted	Hours	OCT	4.0	4.6	4.3	-13.0%	-7.0%	4.1
Seasonally Adjusted			3.9	4.1	4.2	-4.9%	-7.1%	
L4 AVG. WEEKLY INITIAL CLAIMS							
Unadjusted	Number	OCT	5774	4599	5123	25.5%	12.7%	6833
Seasonally Adjusted			7059	7130	6260	-1.0%	12.8%	
L5 TOTAL JOB OPENINGS RECEIVED							
Unadjusted	Number	OCT	8059	7598	8258	6.1%	-2.4%	8063
Seasonally Adjusted			6935	5765	7107	20.3%	-2.4%	
L6 NEW BUSINESS INCORPORATIONS							
Unadjusted	Number	OCT	571	508	549	12.4%	4.0%	595
Seasonally Adjusted			607	556	584	9.2%	3.9%	
L7 NET GAIN IN BUSINESS TELEPHONE ACCESS LINES							
Unadjusted	Number	OCT	3102	3416	2827	-9.2%	9.7%	2471
Seasonally Adjusted			2716	2574	2373	5.5%	14.5%	
L8 BUILDING PLANS EXAMINED							
Unadjusted	Number	OCT	831	609	717	36.5%	15.9%	613
Seasonally Adjusted			612	573	529	6.8%	15.7%	
COINCIDING INDICATORS							
C1 HELP-WANTED INDEX (MILW.)							
Seasonally Adjusted	Index	SEPT	73	74	88	-1.4%	-17.0%	97
C2 UNEMPLOYMENT RATE, TOTAL							
Unadjusted	Percent	OCT	4.0	4.1	3.2	.....	.....	4.3
Seasonally Adjusted			4.3	4.4	3.4	.....	.....	
C3 NATURAL GAS SALES							
Unadjusted	Mil.	SEPT	74.3	56.6	74.5	31.3%	-0.3%	190.9
Seasonally Adjusted	Therms		164.0	141.1	164.4	16.2%	-0.2%	
C4 NEW CAR REGISTRATIONS							
Unadjusted	Number	OCT	16,289	19,168	13,656	-15.0%	19.3%	14,734
Seasonally Adjusted			14,000	17,815	11,731	-21.4%	19.3%	
C5 ELECTRIC POWER SALES							
Unadjusted	Mil. KWH	SEPT	3325.2	3759.5	2304.5	-11.6%	44.3%	2397.3
Seasonally Adjusted			3341.9	3550.0	2315.8	-5.9%	44.3%	
C6 TOTAL SECURITIES REGISTRATIONS							
Unadjusted	Mil. Dol.	OCT	205.2	170.4	71.7	20.4%	186.2%	156.1
Seasonally Adjusted			209.2	187.7	73.1	11.5%	186.2%	

Section

A WISCONSIN ECONOMIC INDICATORS

	UNIT	MONTHLY SERIES			% CHANGE		AVG.
		Latest Month	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago	1988
C7 MANUFACTURING EMPLOYMENT							
Unadjusted	Thous.	OCT 555.9	562.3	559.3	-1.1%	-0.6%	550.7
Seasonally Adjusted		553.1	550.7	556.2	0.4%	-0.6%	
C8 AVG. WEEKLY EARNINGS, MFG.							
Unadjusted	Dollars	OCT $450.53	$454.30	$445.17	-0.8%	1.2%	$443.48
Seasonally Adjusted		$450.98	$457.96	$445.79	-1.5%	1.2%	
C9 CASH RECEIPTS FROM FARM MKTG.							
Unadjusted	Mil. Dol.	AUG 453.0	434.6	430.7	4.2%	5.2%	408.6
Seasonally Adjusted		448.5	442.6	426.2	1.3%	5.2%	
C10 CONTRACT CONSTRUCTION EMPL.							
Unadjusted	Thous.	OCT 82.8	82.8	77.7	0.0%	6.6%	71.5
Seasonally Adjusted		74.9	74.1	70.2	1.1%	6.7%	
OTHER KEY INDICATORS							
X1 BIRTH REGISTRATIONS							
Unadjusted	Number	OCT 6663	5734	6230	16.2%	7.0%	5905
Seasonally Adjusted		6425	5415	6009	18.7%	6.9%	
X2 DEATH REGISTRATIONS							
Unadjusted	Number	OCT 3772	3028	3662	24.6%	3.0%	3632
Seasonally Adjusted		3776	3181	3667	18.7%	3.0%	
X3 NATURAL NET GAIN POPULATION							
Unadjusted	Number	OCT 2891	2706	2568	6.8%	12.6%	2274
Seasonally Adjusted		2667	2238	2369	19.2%	12.6%	
X4 MARRIAGE REGISTRATIONS							
Unadjusted	Number	OCT 4876	4780	5068	2.0%	-3.8%	3468
Seasonally Adjusted		3453	3228	3590	7.0%	-3.8%	
X5 CONSUMER PRICE INDEX		(Jun '89)	(Dec '88)	(Jun '88)			
Unadjusted (1982-1984 = 100)	Index	JUNE 120.3	117.2	114.5	2.6%	5.1%	115.9
X6 PRICES RECEIVED BY FARMERS							
Unadjusted	Index	OCT 154	152	145	1.3%	6.2%	135
Seasonally Adjusted		151	149	142	1.3%	6.3%	
X7 NET GAIN IN RESIDENTIAL TELEPHONE ACCESS LINES							
Unadjusted	Number	OCT 836	10586	1616	-92.1%	-48.3%	2208
Seasonally Adjusted		1692	2043	2020	-17.2%	-16.2%	
X8 LABOR DISPUTES, NO. OF WORKERS							
Unadjusted	Number	OCT 1211	311	138	289.4%	777.5%	107
Seasonally Adjusted		1175	105	134	1019.0%	776.9%	
X9 UNEMPLOYMENT COMPENSATION EXHAUSTEES							
Unadjusted	Number	OCT 9,904	10,259	11,261	-3.5%	-12.1%	14102
Seasonally Adjusted		10,604	10,436	12,055	1.6%	-12.0%	

Section

B LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES OCTOBER	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Unadjusted					
CIVILIAN LABOR FORCE	2647.8	2635.1	2598.3	0.5%	1.9%
Employment (incl. Labor Disputes)	2541.4	2527.3	2515.3	0.6%	1.0%
Unemployment	106.4	107.8	83.0	-1.3%	28.2%
Unemployment Rate	4.0	4.1	3.2	.....	.....
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2638.6	2630.5	2587.9	0.3%	2.0%
Employment (incl. Labor Disputes)	2526.2	2514.7	2500.3	0.5%	1.0%
Unemployment	112.4	115.8	87.6	-2.9%	28.3%
Unemployment Rate	4.3	4.4	3.4	.....	.....

WISCONSIN EMPLOYMENT ESTIMATES OCTOBER	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Unadjusted					
TOTAL NONFARM WAGE AND SALARY WORKERS	2234.8	2227.6	2193.1	0.3%	1.9%
Manufacturing	554.7	562.0	559.2	-1.3%	-0.8%
Mining	2.8	2.8	2.5	0.0%	12.0%
Contract Construction	82.8	82.8	77.7	0.0%	6.6%
Transportation and Public Utilities	103.3	102.5	100.5	0.8%	2.8%
Electric, Gas and Sanitary Services	17.3	17.4	17.2	-0.6%	0.6%
Wholesale Trade	113.3	112.8	109.2	0.4%	3.8%
Retail Trade	417.4	415.3	405.9	0.5%	2.8%
General Merchandise	49.6	47.8	49.6	3.8%	0.0%
Finance, Insurance and Real Estate	119.7	119.9	116.0	-0.2%	3.2%
Banking	28.0	28.3	27.5	-1.1%	1.8%
Insurance	42.6	42.5	40.8	0.2%	4.4%
Service and Miscellaneous	498.0	499.9	487.4	-0.4%	2.2%
Hospitals	74.4	74.6	72.4	-0.3%	2.8%
Private Education	26.6	24.7	26.0	7.7%	2.3%
Government	342.8	329.6	334.7	4.0%	2.4%
State Government	91.6	88.7	86.7	3.3%	5.7%
Local Government	222.3	211.7	218.4	5.0%	1.8%

UNITED STATES LABOR FORCE ESTIMATES OCTOBER	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	124,105	124,040	122,091	0.1%	1.6%
Employment (incl. Labor Disputes)	117,545	117,456	115,573	0.1%	1.7%
Unemployment	6,561	6,584	6,518	-0.3%	0.7%
Unemployment Rate	5.3%	5.3%	5.3%	.....	.....

WISCONSIN ECONOMIC INDICATORS

MANUFACTURING EMPLOYMENT Unadjusted OCTOBER	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
All Manufacturing (Incl. Canning)	554.7	562.0	559.2	-1.3%	-0.8%
All Manufacturing (Excl. Canning)	543.1	544.1	546.3	-0.2%	-0.6%
Durable Goods	335.7	338.2	343.4	-0.7%	-2.2%
Lumber and Wood Products (Excl. Furniture)	28.4	28.8	28.9	-1.4%	-1.7%
Furniture and Fixtures	11.8	11.9	12.0	-0.8%	-1.7%
Stone, Clay, and Glass Products	9.4	9.5	9.7	-1.1%	-3.1%
Primary Metal Industries	22.5	22.7	22.7	-0.9%	-0.9%
Iron and Steel Foundries	11.6	11.7	11.4	-0.9%	1.8%
Fabricated Metal Products	60.3	60.4	58.6	-0.2%	2.9%
Fabricated Structural Metal Products	14.5	14.5	14.6	0.0%	-0.7%
Metal Stampings	11.8	11.8	11.4	0.0%	3.5%
Machinery (Excl. Electrical)	107.5	108.2	108.8	-0.6%	-1.2%
Engines and Turbines	17.4	17.1	19.9	1.8%	-12.6%
Farm Machinery and Equipment	12.3	13.1	12.9	-6.1%	-4.7%
Constr.,Mining, Material Handling Machinery	11.7	11.7	11.4	0.0%	2.6%
Metalworking Machinery and Equipment	14.6	14.6	13.4	0.0%	9.0%
Special Ind. Mach., Excl. Metalworking	14.5	14.6	14.1	-0.7%	2.8%
Gen. Industrial Mach. and Equip.	15.2	15.2	14.6	0.0%	4.1%
Electrical Machinery, Equip. and Supplies	47.3	47.5	47.8	-0.4%	-1.0%
Electrical Industrial Apparatus	15.7	15.7	15.8	0.0%	-0.6%
Transportation Equipment	25.5	25.8	31.9	-1.2%	-20.1%
Motor Vehicles and Equipment	18.3	18.6	25.5	-1.6%	-28.2%
Instrument and Related Products	13.0	13.1	12.7	-0.8%	2.4%
Miscellaneous Manufacturing	10.0	10.3	10.3	-2.9%	-2.9%
Nondurable Goods	219.0	223.8	215.8	-2.1%	1.5%
Food and Kindred Products	64.5	70.5	65.1	-8.5%	-0.9%
Meat Products	14.8	14.8	14.5	0.0%	2.1%
Dairy Products	17.8	17.9	17.8	-0.6%	0.0%
Canning and Preserving	11.7	17.8	13.0	-34.3%	-10.0%
Bakery Products	4.9	4.8	4.4	2.1%	11.4%
Beverage Industries	7.7	7.7	7.9	0.0%	-2.5%
Textile Mill Products	4.3	4.1	4.8	4.9%	-10.4%
Apparel and Other Finished Products	7.1	7.0	7.3	1.4%	-2.7%
Paper and Allied Products	50.4	50.2	49.9	0.4%	1.0%
Pulp and Paper Mills	30.2	30.2	30.1	0.0%	0.3%
Printing, Publishing and Allied Products	46.5	46.4	44.3	0.2%	5.0%
Chemicals and Allied Products	10.5	10.5	10.5	0.0%	0.0%
Rubber and Misc. Plastics Products	29.5	28.9	27.0	2.1%	9.3%
Miscellaneous Plastics Products	24.7	24.2	22.6	2.1%	9.3%
Leather and Leather Products	6.0	6.0	6.6	0.0%	-9.1%

Section C

WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS Unadjusted OCTOBER	Average Weekly Earnings			Average Weekly Hours		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$450.53	$454.30	$445.17	41.6	42.3	41.8
All Manufacturing (Excl. Canning)	454.53	458.22	450.66	41.7	42.0	42.0
Durable Goods	451.11	453.95	453.00	41.5	41.8	42.1
Lumber and Wood Products (Excl. Furniture)	324.39	334.13	321.98	39.9	40.5	40.5
Furniture and Fixtures	367.98	371.42	364.64	42.2	42.4	43.0
Stone, Clay, and Glass Products	494.05	479.23	457.88	48.2	46.8	47.4
Primary Metal Industries	449.43	453.05	460.40	42.2	42.5	44.1
Iron and Steel Foundries	463.32	471.74	472.66	44.0	44.8	45.8
Fabricated Metal Products	414.86	415.31	419.20	40.2	40.4	41.3
Fabricated Structural Metal Products	432.01	438.88	442.76	41.7	42.2	44.1
Metal Stampings	456.08	466.75	467.19	41.2	41.6	41.9
Machinery (Excl. Electrical)	517.37	522.44	490.68	42.9	43.5	42.3
Engines and Turbines	528.28	536.22	488.33	39.9	40.5	38.3
Farm Machinery and Equipment	527.92	540.97	531.22	42.2	42.9	43.4
Constr.,Mining, Material Handling Machinery	564.88	565.57	515.97	46.0	45.5	44.1
Metalworking Machinery and Equipment	543.09	562.28	546.56	43.0	44.1	44.8
Special Ind. Mach., Excl. Metalworking	560.87	555.86	508.08	46.2	45.6	43.5
Gen. Industrial Mach. and Equip.	453.06	456.60	455.94	41.3	42.2	42.1
Electrical Machinery, Equip. and Supplies	420.65	425.34	425.39	41.2	41.7	41.3
Electrical Industrial Apparatus	431.55	435.53	438.27	41.1	41.4	41.7
Transportation Equipment	614.46	602.62	640.70	41.8	40.8	42.6
Instrument and Related Products	345.18	357.55	383.31	36.8	38.2	41.8
Nondurable Goods	448.45	455.14	433.46	41.6	43.1	41.4
Food and Kindred Products	412.08	418.07	396.83	40.8	44.1	40.7
Meat Products	391.23	399.78	371.13	41.4	41.6	41.1
Dairy Products	418.78	424.79	403.79	41.3	42.1	40.5
Textile Mill Products	321.92	331.36	311.54	41.7	44.9	41.1
Apparel and Other Finished Products	261.18	272.84	265.67	37.1	38.7	39.3
Paper and Allied Products	612.38	623.27	600.19	45.7	46.1	45.4
Pulp and Paper Mills	667.70	676.05	649.44	46.4	46.4	45.8
Printing, Publishing and Allied Products	455.20	467.93	422.02	40.0	41.3	38.4
Chemicals and Allied Products	415.26	408.58	405.58	39.7	39.4	38.7
Rubber and Misc. Plastics Products	356.59	356.47	355.32	40.8	40.6	42.2
Leather and Leather Products	252.45	257.87	247.60	37.4	37.7	36.9

WISCONSIN ECONOMIC INDICATORS

AVERAGE HOURLY EARNINGS Unadjusted OCTOBER	Including Overtime			Excluding Overtime		
	Latest Mo.	Mo. Ago	Yr. Ago	Latest Mo.	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$10.83	$10.74	$10.65	$10.34	$10.18	$10.13
All Manufacturing (Excl. Canning)	10.90	10.91	10.73	10.41	10.38	10.21
Durable Goods	10.87	10.86	10.76	10.43	10.40	10.27
Lumber and Wood Products (Excl. Furniture)	8.13	8.25	7.95	7.84	7.92	7.69
Furniture and Fixtures	8.72	8.76	8.48	8.51	8.49	8.13
Stone, Clay, and Glass Products	10.25	10.24	9.66	9.38	9.20	8.92
Primary Metal Industries	10.65	10.66	10.44	10.11	10.06	9.78
Iron and Steel Foundries	10.53	10.53	10.32	9.89	9.86	9.54
Fabricated Metal Products	10.32	10.28	10.15	9.90	9.86	9.71
Fabricated Structural Metal Products	10.36	10.40	10.04	9.89	9.90	9.47
Metal Stampings	11.07	11.22	11.15	10.62	10.71	10.62
Machinery (Excl. Electrical)	12.06	12.01	11.60	11.57	11.51	11.10
Engines and Turbines	13.24	13.24	12.75	13.00	12.98	12.45
Farm Machinery and Equipment	12.51	12.61	12.24	12.08	12.15	11.67
Constr.,Mining, Material Handling Machinery	12.28	12.43	11.70	11.68	11.92	11.22
Metalworking Machinery and Equipment	12.63	12.75	12.20	12.02	12.08	11.63
Special Ind. Mach., Excl. Metalworking	12.14	12.19	11.68	11.37	11.36	11.07
Gen. Industrial Mach. and Equip.	10.97	10.82	10.83	10.56	10.35	10.34
Electrical Machinery, Equip. and Supplies	10.21	10.20	10.30	9.80	9.82	9.81
Electrical Industrial Apparatus	10.50	10.52	10.51	10.12	10.11	10.10
Transportation Equipment	14.70	14.77	15.04	14.19	14.25	14.30
Instrument and Related Products	9.38	9.36	9.17	9.28	9.07	8.88
Nondurable Goods	10.78	10.56	10.47	10.19	9.88	9.91
Food and Kindred Products	10.10	9.48	9.75	9.49	8.73	9.14
Meat Products	9.45	9.61	9.03	8.93	9.04	8.46
Dairy Products	10.14	10.09	9.97	9.58	9.55	9.46
Textile Mill Products	7.72	7.38	7.58	7.39	6.88	7.17
Apparel and Other Finished Products	7.04	7.05	6.76	6.90	6.86	6.56
Paper and Allied Products	13.40	13.52	13.22	12.59	12.64	12.46
Pulp and Paper Mills	14.39	14.57	14.18	13.53	13.64	13.36
Printing, Publishing and Allied Products	11.38	11.33	10.99	N.A.	N.A.	N.A.
Chemicals and Allied Products	10.46	10.37	10.48	10.05	10.04	10.11
Rubber and Misc. Plastics Products	8.74	8.78	8.42	8.33	8.35	8.07
Leather and Leather Products	6.75	6.84	6.71	6.57	6.65	6.54

Section

C

SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) OCTOBER	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS				
							INCL. OVERTIME			EXCL. OVERTIME	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$433.19	$425.95	$423.33	41.1	40.8	41.3	$10.54	$10.44	$10.25	.....	.....
Wisconsin	450.53	454.30	445.17	41.6	42.3	41.8	10.83	10.74	10.65	10.34	10.18
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	514.61	520.96	480.53	43.5	44.0	42.6	11.83	11.84	11.28	11.23	11.19
Eau Claire (Eau Claire-Chippewa)	473.49	466.99	427.84	43.4	43.2	40.4	10.91	10.81	10.59	10.45	10.26
Green Bay (Brown County)	488.04	486.97	472.63	42.0	41.8	41.9	11.62	11.65	11.28	11.00	10.94
Janesville-Beloit (Rock Co.)	500.29	501.81	575.48	39.8	39.7	43.4	12.57	12.64	13.26	12.00	12.04
Kenosha (County)	465.68	482.35	534.71	40.6	42.2	41.1	11.47	11.43	13.01	11.05	10.95
La Crosse (County)	389.43	387.98	362.34	42.1	41.1	39.6	9.25	9.44	9.15	8.91	9.12
Madison (Dane County)	416.42	432.08	403.65	41.6	44.0	41.4	10.01	9.82	9.75	9.61	9.28
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	479.00	483.63	483.72	41.4	41.8	41.7	11.57	1.57	11.60	11.02	11.01
Racine (County)	447.02	445.61	437.53	40.2	40.4	40.4	11.12	11.03	10.83	10.66	10.57
Sheboygan (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Wausau (Marathon County)	446.95	452.66	423.42	43.1	43.4	42.3	10.37	10.43	10.01	9.74	9.78

INA - Information Not Available due to budget reductions

MANUFACTURING EMPLOYMENT Unadjusted OCTOBER	(In Thousands)			% CHANGE	
	Latest Mo.	Mo. Ago	Yr. Ago	Mo/Ago	Yr/Ago
United States	19709.0	19730.0	19587.0	-0.1%	0.6%
Wisconsin	554.7	562.0	559.2	-1.3%	-0.8%
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	52.7	52.6	53.5	0.2%	-1.5%
Eau Claire (Eau Claire-Chippewa)	11.9	11.9	11.6	0.0%	2.6%
Green Bay (Brown County)	26.4	26.8	25.2	-1.5%	4.8%
Janesville-Beloit (Rock County)	17.4	17.5	18.6	-0.6%	-6.5%
Kenosha (County)	9.7	9.7	13.9	0.0%	-30.2%
La Crosse (County)	11.1	11.2	11.2	-0.9%	-0.9%
Madison (Dane County)	24.7	24.9	24.8	-0.8%	-0.4%
Milwaukee (Milwaukee-Ozaukee-Washington-Waukesha)	176.0	176.4	175.9	-0.2%	0.1%
Racine (County)	26.2	26.3	26.0	-0.4%	0.8%
Sheboygan (County)	INA	INA	INA		
Wausau (Marathon County)	14.3	14.1	13.7	1.4%	4.4%

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson and Gene Schubert
Department of Revenue

In spite of the recession fears which resurfaced in the financial markets recently, there is little evidence that the economy is set for a major reversal. Instead, the economic indicators, which suggests continued slow but positive growth, indicate that the desired "soft landing" for the economy is increasingly likely. Growth in real GNP during each of the last two quarters has been estimated at 2.5 percent. Thus, even if the current quarter turns out to be extremely weak, growth in real GNP for all of 1989 should be near or slightly above 2.5 percent, a respectable showing for an economy still burdened by large fundamental imbalances.

Real consumer spending growth should decline to just below 2 percent next year, followed by further weak growth in 1991 of 1.7 percent. The weakness should be concentrated in durables, especially autos. The strength in auto sales in August and September, in contrast to the October slump, makes it clear that consumers are responsive to price incentives. The forecast assumes that domestic auto companies are unlikely to sit back and watch their market share erode further. After cutbacks in production schedules in the current quarter, a resumption in price discounting in the spring is expected to bolster sales.

The national housing market appears to have overcome its shallow trough. When mortgage rates dropped in late spring and summer, sales of homes began to pick up and permits for new construction edged higher. The late blooming housing markets in the center of the country should offset the recent weakness on the coasts to provide a modest improvement in the nation-wide housing sector. New housing starts are expected to reach 1.535 million units next year followed by a modest decline to 1.527 million units in 1991 and 1.480 million units in 1992.

The outlook for business investment--a sector whose peak-to-trough growth rate swings are typically four times as large as those for GNP--is more risky. Office equipment sales held near $46 billion in both the second and third quarters this year. Shipments are expected to slip to about $44.5 billion this quarter and next, before rebounding to $49 billion in 1991 and $53 billion in 1992.

The bulk of equipment spending is for the factory floor or for aircraft. In 1988 $282 billion was spent on those categories, $302 billion is nearly in the books for 1989, and $310 billion is projected for 1990. After adjusting for inflation of 3.0 to 3.5 percent, such equipment investment should show an orderly retreat from 8 percent real growth in 1988 to 4 percent in 1989 and zero for 1990. A delayed rebound relative to the overall economy will result in a 2 percent expansion in 1991 and 5 percent in 1992.

Inventory accumulation accelerated sharply in the third quarter, rising $11 billion and accounting for almost 40 percent of GNP growth. A look at the composition of the rise suggests that a large proportion resulted from weakening shipments in the manufacturing sector and a surge in imports. The gain could haunt the economy for the next several quarters.

Government spending is expected to continue to be a source of weakness throughout the forecast period. The era of federal spending policy by default is upon as the Gramm-Rudman-Hollings axe falls across major sections of the federal budget.

Total federal government spending on goods and services in real terms is expected to fall by 1.3 percent next year followed by a decline of 1.1 percent in 1991. The federal budget deficit is expected to fall only gradually from $152 billion in 1989 to $143 billion in 1990. The deficit is expected to remain above $100 billion even in 1992, when it is expected that the deficit will approximate $117 billion.

State and local government spending on goods and services is expected to grow by 2.7 percent this year, but to decelerate to 1.0 percent in each of the next three years in response to slower economic growth and dwindling surpluses.

Real exports of goods and services are starting to slow in response to recent strength in the dollar and are expected to show a gain of 10.5 percent this year after a gain of 17.6 percent in 1988. Exports are expected to slow to a 4.8 percent pace in 1990 before resuming at growth rates of 7.8 percent in 1991 and 8.6 percent in 1992.

Import volumes have already shown signs of retreating in the wake of consumer and business spending slowdowns. Real imports of goods and services are expected to grow by 6.5 percent this year, followed by growth of nearly 3.5 percent in 1990 and 1991, and 5.4 percent in 1992.

The expected slowdown in economic growth over the next few months is likely to reduce further upward pressure on wages and prices for the intermediate term. The consumer price index is expected to increase by 4.0 percent next year compared to a gain of 4.8 percent this year. The slowdown will only give temporary pause to wages and prices, however, as the underlying inflationary trend of 4.0-4.5 percent per year is expected to resume once the economy begins to strengthen in 1991 and beyond. The economic slowdown is not anticipated to slow the gradual upward trend in total compensation per hour, which is now expected to accelerate from 5.4 percent this year to 6.0 percent by 1992. The fastest growing component of compensation is in fringe benefits, where health benefits costs have not yet yielded to the overall gains in inflation since the early eighties. Failure to contain health care costs and health insurance costs promises to add more difficult macroeconomic management choices in the years to come.

WISCONSIN OUTLOOK

The Wisconsin economy appears to be performing as previously predicted. After two years of rapid growth in 1987 and 1988, during which the manufacturing sector spurred growth throughout the economy, growth is slowing in 1989. Employment growth during the second and third quarters of 1989 has slowed significantly. This is consistent with the slowing of economic growth nationally. The present period of slow growth is expected to continue through the middle of next year, after which the pace of economic activity is expected to accelerate in 1991 and 1992.

During the second and third quarters of this year total nonfarm employment showed no growth. Manufacturing employment declined by 9,000. While most of this decline is the result of the Chrysler shutdown in Kenosha, employment has fallen in every durable goods industry except fabricated metals. Employment in the nondurable goods sector has stabilized at the 216,000 level. Further evidence of the slowdown is found in the service sector where employment has leveled off at 492,000. Of particular interest is the recent decline in business service employment which had exhibited uninterrupted growth since the third quarter of 1982.

The construction industry data is always difficult to interpret. Although

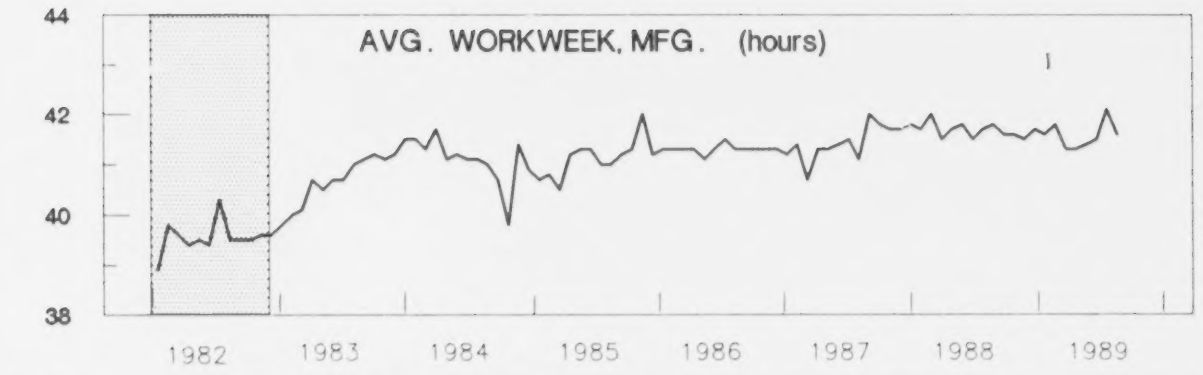
(Continued on back cover)

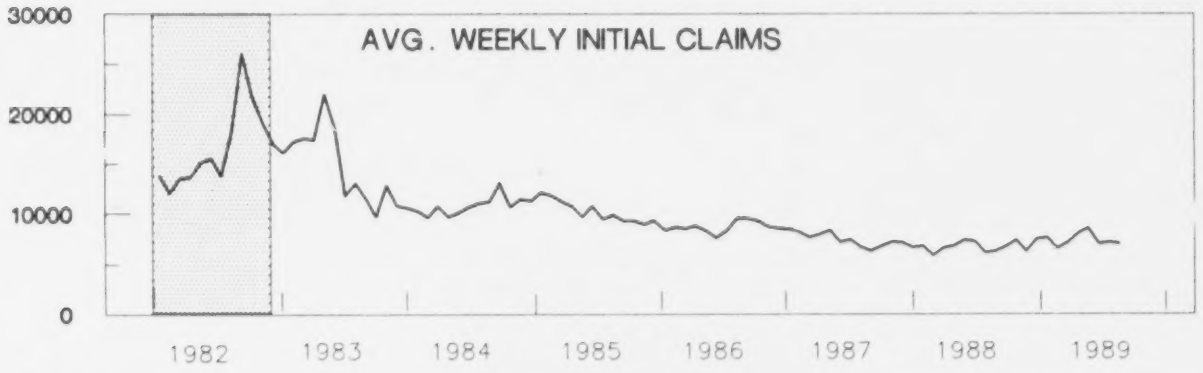
Wisconsin Employment Forecast

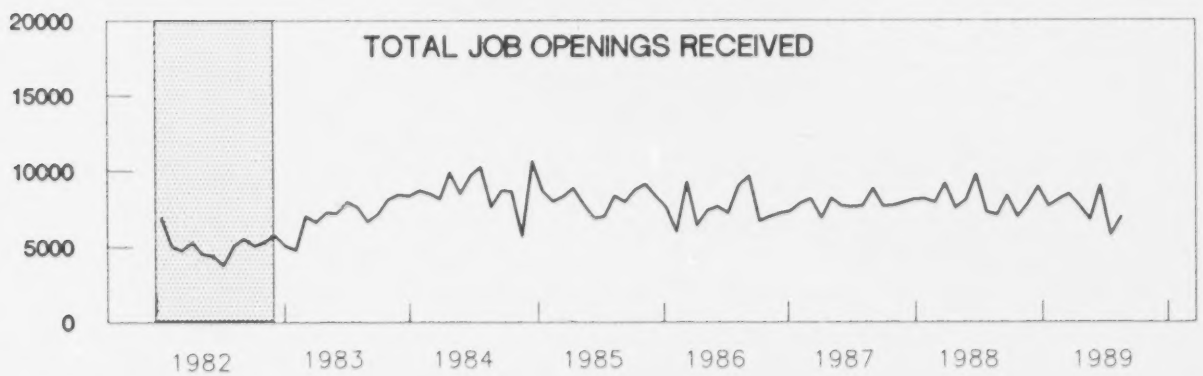
(Thousands of Workers, Annual Average)

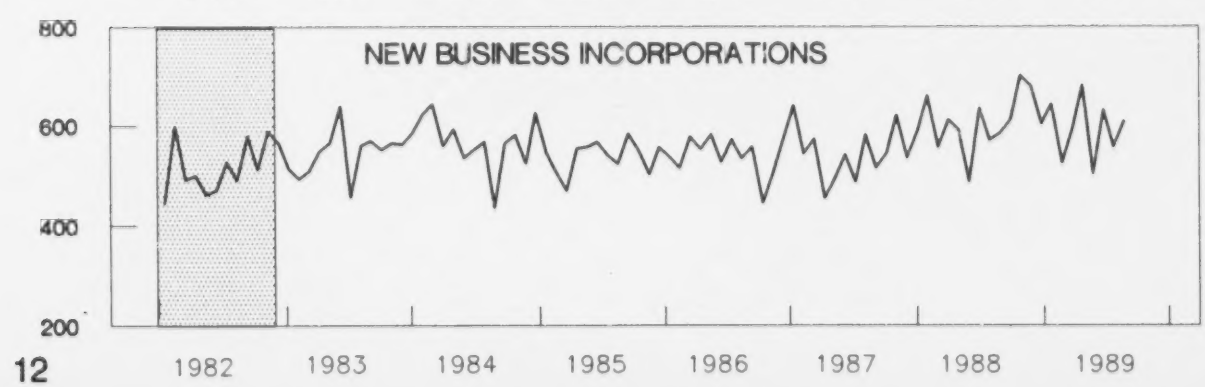
	1988	1989	1990	1991	1992
MANUFACTURING	550.6	554.6	545.6	551.2	557.7
DURABLES	338.0	338.4	329.9	333.7	338.3
LUMBER PRODUCTS	28.3	28.6	28.3	28.7	28.8
STONE, CLAY, GLASS	9.1	9.1	9.0	9.1	9.2
PRIMARY METALS	21.9	22.7	21.0	21.2	21.8
FABRICATED METALS	57.4	59.6	57.4	57.9	58.7
NON-ELECT. MACHINERY	107.3	108.3	107.5	108.4	109.9
ELECTRICAL MACHINERY	47.4	47.5	46.5	47.0	48.3
TRANS. EQUIPMENT	32.1	27.1	26.2	27.6	27.4
OTHER DURABLES	34.4	35.5	34.1	33.7	34.3
NONDURABLES	212.6	216.2	215.7	217.5	219.3
FOOD PRODUCTS	62.5	63.0	62.8	63.1	62.5
PAPER PRODUCTS	50.1	50.4	50.8	51.8	52.3
PRINTING & PUBLISHING	43.8	46.2	47.2	48.1	49.4
CHEMICALS	10.4	10.6	10.3	10.1	10.0
RUBBER & PLASTICS	26.6	28.6	27.9	27.7	28.3
OTHER NONDURABLES	19.1	17.5	16.7	16.8	16.7
MINING	2.2	2.5	2.2	2.1	2.1
CONSTRUCTION	71.5	74.9	72.8	75.2	76.6
TRANS., COMM., UTILITIES	97.4	100.1	98.9	100.0	101.4
FINANCE, INSUR., REAL EST.	115.3	119.2	121.0	123.7	126.4
TRADE	505.9	519.4	524.0	529.4	537.5
SERVICES	479.9	492.7	505.9	528.7	548.6
GOVERNMENT	326.2	334.0	336.8	337.2	338.6
TOTAL EMPLOYMENT (Nonfarm)	2149.0	2197.4	2207.4	2247.5	2289.0

D CYCLICAL INDICATORS









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